Initiatives to Establish new Industries in NE Region

1146. SHRI PRAKANT WARISA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have formulated any short-term and long-term policy to establish new industries in the States of North-East Region;

(b) if so, the details of initiatives taken by Government, so far; and

(c) the total amount provided by Government for establishment of heavy industries in NER during the Ninth Plan?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Government has announced a new industrial policy for the North-Eastern Region on 24th December, 1997, to promote industrialisation of the region. The various components of the policy, interalia, are:

1. Expenditure on Growth Centres, up to Rs. 15 crores to be met through Central assistance.
2. Funding pattern for Integrated Infrastructure Development Centres (IIDCs) changed from 2:3 between Government of India and SIDBI to now 4:1. The Government of India funds would be in the nature of grant.
3. Transport subsidy scheme has been extended by 7 years upto 31.3.2007 and the amount is to be disbursed through North-Eastern Development Finance Corporation Limited.
4. Industries located in the Growth Centres would be given capital investment subsidy at the rate of 15% of their investment in plant & machinery subject to a ceiling of Rs. 30 lakh.
5. Growth Centres & IIDCs become tax-free zones for income tax and excise duty for a period of 10 years. Certain high growth potential industries have also been given the tax-free status irrespective of the location in the North-East.
6. An interest subsidy of 3% on the working capital loans would be provided for a period of ten years to the new units.

7. Comprehensive Insurance Scheme for new industrial units has been put in place.

8. The Prime Minister Rozgar Yojna (PMRY) liberlized.

9. Under Integrated Infrastructural Developmnt Scheme, wherein the Project Cost is around 5 crore, the grant is up to 80% of the project cost subject to the ceiling of Rs. 4 Crore.

10. SISI opened in all the States of the N.E. Region, where only 50% of the prescribed consultancy rates for the services rendered by the SIDO officers is charged.

11. Indian Institute Entrepreneurship (IIE) established in 1993 in Guwahati for training, research and consultancy services for small industry/entrepreneurs in the Region.

The various measures have been implemented through issuance of necessary notifications. These measures are expected to attract industries in to the region.

(c) There are no proposals with the Ministry of Heavy Industry to establish heavy industries in North Eastern Region in the Ninth Plan.

Development Potential of Commerce in NER

1147. SHRI W. ANGOU SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have studied the 36th Report on Development Potential of Commerce in the North-Eastern Region;

(b) if so, what action has been taken up on the lines of recommendations of the Commission; and

(c) the steps taken specially for the development of industries in the industrially backward area of North-Eastern region during the Ninth Five Year Plan?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) The status of action taken on the salient recommendations made in the 36th Report of the